DOCUMENT RESUME

ED 227 326 CE 035 405

AUTHOR DeLone, Richard H.
TITLE The Potential State Role in Youth Employment. Working Paper #3. The State Youth Initiatives Project.
INSTITUTION Public/Private Ventures, Philadelphia, PA.
SPONS AGENCY Mott (C.S.) Foundation, Flint, Mich.
PUB DATE Dec 82
NOTE 32p.; For related documents, see CE 035 404-406.
PUB TYPE Viewpoints (120) -- Information Analyses (070)

EDRS PRICE MF01/PC02 Plus Postage.
DESCRIPTORS Adolescents; *Disadvantaged Youth; Economically Disadvantaged; Educationally Disadvantaged; *Employment Programs; *Job Training; Policy Formation; Program Development; *Program Improvement; State Action; *State Programs; Statewide Planning; Young Adults; *Youth Employment; Youth Programs
IDENTIFIERS Job Training Partnership Act 1982

ABSTRACT

The millions of disadvantaged youth, especially minority group youths, face a bewildering mix of job training and employment programs. Because of bureaucratic regulations and funding complications, most of these programs are not effective for the majority of youths who need them. To be effective, youth employment and training programs should satisfy the following criteria: (1) a mix of proven programs sufficient to the diverse needs of diverse individuals should match youth to programs; (2) a process should target services effectively to at-risk youth; (3) a mix of school, government, and private sector training should be well coordinated; (4) a built-in mechanism for assessment and reformulation of plans should meet youth needs; (5) a means for pulling in the full range of youth services, including welfare and the juvenile justice system, should be developed. State government is the ideal agent to carry out programs to serve the employment and training needs of disadvantaged youth because that level of government controls most of the funds that are used in the programs and has the best chance of meeting these training criteria. The Job Training Partnership Act passed by Congress in 1982 offers a stimulus for states to adopt policies, assert leadership, and work in partnership with localities to better apply current knowledge to create such programs. (Two sample state program strategies are offered as suggestions.) (KC)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED227326

Public/Private Ventures
1701 Arch Street
Philadelphia, PA 19103
(215) 564-4815

The State Youth Initiatives Project

Working Paper #3

The Potential State Role in Youth Employment

by Richard H. deLone

December 1982

CE035405

U.S. DEPARTMENT OF EDUCATION
NATIONAL INSTITUTE OF EDUCATION
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

This document has been reproduced as received from the person or organization originating it.
Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official NIE position or policy.

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY

ML Pritchard

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

Public/Private Ventures Board of Directors

Dr. Vernon M. Briggs, Jr.
Professor of Labor and Industrial Relations
NYSS of Industrial & Labor Relations
Cornell University
Ithaca, New York

Alan Campbell
Executive Vice President
ARA Services, Inc.
Philadelphia, Pennsylvania

Dr. Edwin Campbell
President
Gulf Management Institute
Boston, Massachusetts

Walter D'Alessio
President & Chief Executive Officer
Latimer and Buck
Philadelphia, Pennsylvania

John T. Joyce
President
Bricklayers & Allied Craftsmen
Washington, D.C.

William H. Kolberg
President
National Alliance of Business
Washington, D.C.

Franklin A. Lindsay
Chairman of the Executive Committee
ITEK Corporation
Lexington, Massachusetts

Steven A. Minter
Associate Director
The Cleveland Foundation
Cleveland, Ohio

Melvin A. Mister
Director
Office of Program Development
U.S. Conference of Mayors
Washington, D.C.

Stanley H. Ruttenberg
President
Ruttenberg, Friedman, Kilgallon, Gutchess and Associates
Washington, D.C.

William J. Spring
President, Tri-Lateral Council for Quality Education, Inc.
Federal Reserve Bank of Boston
Boston, Massachusetts

Anita A. Summers
Associate Chair Person, Public Management
The Wharton School, University of Pennsylvania
Philadelphia, Pennsylvania

Richard H. de Lone
President

Public/Private Ventures is a non-profit corporation focused on economic development and employment and training issues. It develops and manages demonstration projects, conducts research and policy analysis, provides technical assistance to organizations and businesses, and performs program assessments and evaluations. P/PV, based in Philadelphia, receives funding from public and private sector sources. The corporation also collects and disseminates information on public/private programs and strategies. Contact: The Resource Center, Public/Private Ventures, 1701 Arch Street, Philadelphia, PA 19103 215/564-4815

The publication of this paper
was made possible by a grant
from the Charles Stewart Mott
Foundation

TABLE OF CONTENTS

		Page
INTRODUCTION		1
I.	THE PROBLEM	3
II.	REQUIREMENTS OF AN EFFECTIVE YOUTH EMPLOYMENT SYSTEM	6
III.	THE STATE ROLE	12
	Why States	12
	How to Mobilize State Potential	14
IV.	STATE ACTIVITIES	16
V.	THE OPPORTUNITY: IMPLEMENTING JTPA	23

INTRODUCTION

Much is known about the causes, costs and programmatic solutions of the problem of youth unemployment, and much has been invested -- between $20 and $25 billion in federal funds over the past fifteen years. Yet, the problem remains severe: in late 1982, unemployment among minority 16 to 21 year olds was 50 percent. In many urban areas, it was higher. How can it be that when so much is known, and so many dollars are expended, so little seems to have been accomplished?

The weakness of youth employment policy to date, we suggest, has three primary sources:

1) Billions have been spent without a coherent framework for the multiple dimensions of the problem, and without adequately targeting resources in the right manner at the right time to those youth who are actually "at risk."

2) Excessive attention has been focused on Department of Labor dollars for youth employment and training programs. Comparatively little attention has been paid to more effective use of other federal funding sources or state, local and private dollars, which in fact constitute the vast majority of resources available to improve the education, training and employment of disadvantaged youth.

3) There has been a major emphasis on identifying, developing, evaluating and supporting program models that work. But relatively little sustained effort has gone to creating the systems needed to insure that good programs are supported, maintained and spread.

Most major cities offer some examples of outstanding youth employment programs. But there are few communities in which the number of good programs is sufficient to make more than a tiny dent in the substantial problem of youth unemployment. Further, in most cities there is limited coordination in the planning and delivery of services by such basic agencies as the school system, the Private Industry Council and the local employment and training agency. Duplication of some services and the glaring absence of others are the norm, not the exception.

Unless this circumstance changes; unless the total resources available in a community to address the labor market needs of "at-risk" youth are systematically drawn together and used effectively, it will ever be thus. The key to change is finding the right point of leverage to mobilize and use effectively the full range of available resources -- schools, employment and training programs, business, labor and a wide range of other publicly-supported and voluntary services.

We believe that state government, an often neglected and certainly underdeveloped factor in youth employment, has the potential to exercise that leverage. States have the financial, the legal and the regulatory clout to make a major difference. Using their dollars, clout and position, state governments can provide the incentives, the requirements and the ideas to help localities to do a better job in serving disadvantaged youth. And while not all states are ready, willing or able to do so, many are. The passage of new national employment and training legislation, the Job Training Partnership Act (JTPA) provides an opportunity, rich in potential but easy to miss, that can help states realize this role.

I. THE PROBLEM

Statistics tell part of the story. Youth unemployment rates are typically two-to-three times adult rates. Minority youth unemployment is two-to-three times higher again. In 1981, for instance, when overall unemployment averaged 7.6%, youth rates for 16-to-21 year olds were:

white	15.0
non-white	34.6
all youth	17.1

These data both overstate and understate the problem: they overstate it because not all unemployed youth face long-term problems in making the "school to work" transition. Many are simply experiencing temporary difficulties or, like adults, are having problems finding work because of a recessive economy.

But about 10 percent of all youth experience serious and sustained unemployment, including about 1.5 million "discouraged workers" who, because they are not defined as being in the labor force do not show up in the unemployment statistics.\1 These include youth who have been unable to find jobs for three months or longer, and youth who are both out of school and out of the labor force: hanging out and heading nowhere fast.

These are the at-risk youth who, research shows, are likely to experience life-long difficulties in finding work. They are the youth who need employment and training services most, but are least likely to get them because they are the hardest to reach and serve. One expert estimates that each such youth costs society approximately $5,000 a year in social expenditures for each year he or she is out of work, and more if the costs of crime and foregone productivity are added.\2 The cost to themselves, in human terms, is incalculable. Youth at risk share one or more of the following characteristics:\3

- they are disproportionately from low-income and/or minority backgrounds;
- they are high school dropouts or high school "pass throughs" who got a diploma but little else from the schools;
- they know little about how to get a job or how to behave on one;
- they have little or no work experience and no occupational skills.

But the problem is not simply that youth lack skills, know-

ledge or good work habits. They also lack opportunity to develop those capacities. Opportunity drives achievement. Its absence reflects a failure of public and private institutions to create it. The point can be illustrated by considering the circumstances of two hypothetical but quite typical young people, Charles and Maria.

Charles is 19, black and lives in an inner city with his disabled father and hard-working mother. She raises three other kids and works, when work is available, as a sewing machine operator at a small canvas goods manufacturing firm. Charles is a high school graduate but his test scores show that he, like many of his friends, was processed through school without being educated. He's extroverted with his friends, but around strangers--and that includes employers--he is incommunicative. In the 11th grade he sat through some movies and lectures about the "world of work" but it was all words to him. In 12th grade, he participated in one group counseling session on career planning. The session was run by a counselor whose major job was helping 150 seniors complete college applications. Since graduating, Charles worked briefly as a custodian's assistant in a settlement house. He was fired for absenteeism. Other than a few odd jobs, he's been unemployed for seven months. He's visited a few employers in the neighborhood, lost the lottery for a summer youth job, answered a couple of newspaper ads for jobs that were gone before he got there and left an application for "anything" at the Employment Service. He spends more time hanging out and less time searching now. His parents keep telling him he should get a job.

Maria is 17. She dropped out of school two years ago when her son was born. Spanish is the language spoken at home, and while she understands English well enough, her reading, grammar and verbal skills are shaky. Maria lives with her mother. She has not worked since a brief stint at Burger King (she lied about her age) which ended with her pregnancy. She enrolled in an educational program for teenage mothers at the Y last year, but the daycare didn't take children under two. Welfare benefits and occasional housecleaning by Maria's mother are the sources of household income. Erosion of those benefits; inflation; tensions between Maria and her mother; the institution of a workfare program in her state, which views Maria as employable since her child is old enough to enter daycare, and a strong desire to be independent, have combined to motivate her to seek employment. She wants a job with decent pay. But what, how or where, she does not know.

These sketches suggest that Charles and Maria share some problems common to many jobless youth: both lack basic education skills, making them unqualified for many jobs and training programs. Neither has had sufficient work experience to build a resume and know the ropes of working. Neither has a clear sense of what opportunities exist, where they are, or how to find them. Neither has a salable job skill. Both have motivation -- they want to work -- but both are also easily discouraged by failure!

Little in their experience suggests that perseverance pays. And each has particular problems -- less severe than many youth but severe enough to each of them. Charles lacks confidence in interviews; Maria has childcare and incipient domicile problems.

What both could use is some help, designed to address the full array of problems each faces. What both desperately need are some successes, to fan the spark of motivation. Where do they get it?

In the typical city where they live, in 1982, the question has no good answer. Neither can rely on the network of friends and relatives that most people use to get jobs, since their kith and kin have similarly fragile connections to the work world. So they turn to the alternative, voluntary or publicly funded programs and agencies, and find...a discouraging mess. Since he's a graduate, Charles can't go back to high school to get the education he wasn't given. Maria could go back, but she wants a job, not a return to ninth grade. There may be programs around, but they don't know where to go to get the information. If they did, they'd probably find: that the CETA prime sponsor has suffered funding cuts and has a long waiting list; the program they're finally referred to has good instruction in how to find a job, fill out a resume and conduct a job interview -- but no remedial education. The Private Industry Council is running training programs with a good record of placing graduates in high demand occupations -- word processors, computer operators and machinists -- but neither Charles or Maria can meet the 10th grade math and reading levels required for admission to any of these. There is a terrific program across town run by a CBO, which in fact offers everything each needs in a skillfully designed sequence of services which combines education, training and work experience. But it only enrolls youth who live on the west side. The city has tried to fund other organizations to run the same program in other communities, but they've bombed. With cutbacks, the one successful program is scaling down.

The point of this example is clear: youth have needs; they are not mysterious or impossible to meet; indeed, many programs exist which have proved able to serve those needs; but, for a variety of reasons, the apparatus of publicly funded programs doesn't work correctly -- for Charles, for Maria, and for hundreds of thousands like them.

Building more effective systems, systems which make that apparatus work, is the central challenge -- and the opportunity -- for states.

II. REQUIREMENTS OF AN EFFECTIVE YOUTH EMPLOYMENT SYSTEM

Webster's gives a number of definitions of the word "system," including:

- "regularly interacting or interdependent group of items forming a unified whole;"
- "an organized set of doctrines, ideas or principles...;"
- "harmonious arrangement or pattern."

In dealing with complex, large, multi-faceted problems such as youth unemployment, a system is needed. But the characteristics that define good systems are conspicuously lacking in youth employment. The absence of a "unified whole" which is characterized by an "organized set of principles" guiding an "harmonious arrangement" of programs and services is apparent in the cases of Charles and Maria. Writ large, it can also be easily detected by briefly sketching in the helter-skelter nature of the employment and training system.

- In only a few communities do leaders of organizations with resources and responsibilities for improving youth employability "regularly interact." Generally, school superintendents, business and labor leaders and employment and training directors have little contact with each other and little knowledge of what each is doing.
- Major dollars -- close to a billion a year -- are spent on summer youth employment, but instead of targeting these jobs on youth who are at risk because they lack work experience, jobs in many communities are awarded by lottery.
- The primary focus of private sector involvement in employment and training programs has become the Private Industry Councils. Although half of unemployed workers are under 25 years old, they represent less than 43% of participants in PIC programs and most of these are in-school youth. At-risk youth are a low priority for most PICs.\4
- About three-quarters of the youth served by CETA youth programs are in school,\5 a proportion that ignores the urgent needs of out-of-school youth.
- Large numbers of youth leave school without the basic skills needed to compete in today's work force.

- Vocational education is a $10 billion industry in the secondary schools, but research suggests voc ed programs rarely reach at-risk youth; infrequently serve them well, and too often spend resources on expensive training programs in occupations for employers who do not seek intensively pre-trained 18-year-olds.\6

This is not an exhaustive list, but it suggests the kinds of inefficiencies and inconsistencies which can and must be addressed, systematically, if major progress in solving the crisis of youth unemployment is to be made.

Further, a combination of common sense and research provide a basic understanding of the criteria a sound youth employment system should meet.

1) It must offer a mix of proven programs, sufficient to the diverse needs of different individuals at diverse ages and stages of labor market development, and it must have a mechanism for matching the right youth with the right program at the right time.

2) It must target services effectively on at-risk youth.

3) It must possess a well-planned, coordinated agenda among the full array of agencies and institutions with the means and responsibility for youth employment. Primary agents are:

   - the schools, including regular and vocational high schools, secondary and post-secondary;
   - government-funded job training, including not only PICs but also the community-based organizations that are major providers of employment and training services;
   - the private sector -- business, industry and labor -- in its capacity as employer, "consumer" of school and training program graduates, and potential trainer of youth through on-the-job training, apprenticeships, cooperative education and employer-sponsored classroom training.

4) It must have built-in mechanisms for continuously assessing youth needs, planning to meet those needs, and evaluating effectiveness of programs that are part of the system.

5) It must also pull together the full range of youth service agencies and organizations including those involved with criminal justice, welfare, education and human ser-

vices. Each has potential importance as either identifier of at-risk youth, funding source, or service provider for the needs of some youth.

The last four criteria are essentially characteristics of sound policy and management, necessary to deliver good programs. The first, the "bottom line" for youth employment, attends to the quality of programs per se.

Fulfilling these criteria requires a well-planned, coordinated agenda among key agencies and organizations; but it does not require establishment of a new "superagency" or appointment of a "czar" to run the entire youth employment system. The structure of local government and the need to involve the private sector make such an arrangement generally impossible. But it does mean that the various agencies and organizations should have a common forum and a common framework through which they can assess needs, decide who is going to do what, form joint ventures where collaboration is called for, and assess effectiveness. Unless these functions are performed jointly, the system returns to confusion and wasted resources.

Such collaboration is critical for two reasons:

First, there is no single agency which can possibly meet all the needs of at-risk youth. While schools can serve most teenagers, they are unlikely or unable to provide job training for 20-year-olds ready to make a career choice. While business can advise or even conduct training programs for 20-year-olds, it cannot generally provide the basic academic skills which youth need to enter rigorous training. When the youth in question is a mother needing daycare, neither schools nor business nor most employment and training programs are able to remove this impediment to employment. And so on.

Second, no single agency has the financial capacity to support a comprehensive youth employment system. In times of shrinking public dollars, it is especially critical to focus the activities of diverse agencies on priority problems, such as youth employment. Pooling funds is the only way to obtain the necessary resources. It is futile to expect that the roughly 40% of federal employment and training dollars that will be available for youth under the new Job Training Partnership Act can get the job done.

Nationally, well over $150 billion in federal, state, local and private funding -- the bulk of it (at least $100 billion) coming from state and local taxes -- could be viewed as resources in solving the problem of youth unemployment.\7

This means that if, through priority management, a modest two percent of these funds were to be reprogrammed to fund effective youth employment programs, the $3 billion dollars available would triple the $1.5 billion scheduled for youth in the new federal

Job Training Parternship Act and would approach the magnitude of need.

While easier said than done, this point clarifies the importance of, for instance, using public assistance transfer payments to support youth training; of freeing up some of the dollars now spent ineffectively on youth not at risk in public schools to serve the vocational needs of at-risk youth; of using public funds in entrepreneurial fashion to lever corporate contributions, or vice versa.

The ultimate aim, of course, is to address the first criteria: a youth employment system whose program offerings in fact meet the needs of Charles and Maria and their peers. A brief outline of the components of an ideal youth employment system is set out in Chart I. A detailed discussion of the varied types of programs required, the levels of performance that can be expected from well-run programs, and the number of youth to be served by each type of program is presented in P/PV's "Research-Based Guide to Planning a Comprehensive Youth Employment System" (Spring 1983). Here, we briefly describe this program universe, which is summarized in Chart I.

First, the needs of "younger youth," roughly those 16 to 19, are primarily for developing good basic academic skills, accumulating satisfactory work experience, and developing some knowledge of the "world of work" and "the ropes" of getting a job. Alternative schools, computer-assisted instruction, work experience, career awareness programs and pre-employment services are programming approaches appropriate to meet these needs. Research-validated models exist for each, and there are clear roles to be played by business, labor, schools, community-based organizations and others in providing these services.

Second, older youth -- mostly out-of-school youth -- may also require improvements in basic skills, work experience or job readiness training, if these have eluded them as teenagers; but it is for this population that intensive skill training becomes desirable. Expensive investment in skill training does not make sense until youth have experimented with several jobs and reached the "settling down" stage when they are ready to enter and stay with careers in a given field. Research suggests that career decisions are not made by most youth until they enter their 20s.\8

It is possible to calculate with reasonable precision the number of youth in a given community requiring a particular kind of service. The challenge in constructing good systems is to mount effective programs in types and numbers proportionate to need.

Given a sound programmatic framework, it is also important that a youth employment system have the mechanisms to identify and recruit the at-risk youth who need the respective services;

the capacity to assess both the needs and the strengths of young people to determine the best program for that individual; appropriate referral mechanisms to make sure that a young person with given needs gets to the appropriate program; and support services -- whether daycare, legal advice or health services -- to insure that they are able to use those services.

CHART I. COMPONENTS OF AN IDEAL YOUTH EMPLOYMENT SYSTEM

I. Program Elements	Target Groups
A. For Secondary School Youth	
1. Alternative schooling which integrates work/study	16 and older, in-school, who are low achievers and/or potential dropouts
2. Remedial Basic Education (math, reading)	16 and older in-school youth two years below grade level in achievement or below proficiency standards for graduating
3. Cooperative education or other forms of work experience (preferably in private sector)	All non-college bound youth 16 and over
4. Vocational education/skills training	16 and over in school, with aptitude/aspirations in fields in which training is offered
B. For In- and Out-of-School Youth	
5. Pre-employment services (job readiness, placement assistance)	In- or out-of-school youth, 16-to-21, seeking work and employable, but having trouble finding it
C. For Out-of-School Youth	
6. Adult basic education, GED preparation or other remedial basic education	Out-of-school youth, 16-to-21
7. Vocational skills training (classroom, on-job or apprentice training)	Primarily 19-to-21 year-old out-of-school youth

II. Other System Properties

8. Coordinated planning, implementation & evaluation, involving private and public organizations
9. Effective outreach, recruitment and referral systems
10. Standardized youth assessment and certification procedures
11. Integration of at-risk and other populations when feasible
12. Coordination of job development efforts to avoid multiple contacts with the same employer
13. Follow-up services to support youth placed in jobs
14. Long-range resource allocation planning

III. THE STATE ROLE

Why States?

There are six major reasons why state government is the logical point of intervention if a broad, concerted and systematic attack on the youth unemployment problem is to be made.

1) State government either controls or influences the expenditure of most funds available to improve the career preparation and training of at-risk youth.

The phrase "youth employment" usually conjures up visions of CETA. In fact, federal employment and training dollars are but a small, if important, portion of the total available for education, training and other employment assistance for at-risk youth. We estimate that there are at least 30 potential youth employment funding sources, ranging from small to huge, which exceed $150 billion. As indicated, states have control or influence over most of these funds. In addition to federal employment and training and vocational education funds, they include state and local education dollars; that portion of welfare dollars (50% state money) currently spent on youth; corporate, foundation and other private dollars and an array of other governmental programs. All of these sources can be (under certain conditions) and sometimes are, tapped for youth employment programs. While not all these dollars can or should be diverted to programs for at-risk youth, small reallocations would result in very significant increases in dollars directed towards youth employability development. If anything, funds controlled by states are likely to increase under the twin influence of block granting and federal cutbacks (which may trigger some increase in state funding).

2) The states control the bulk of discretionary funds available for youth employment programs -- critical dollars for effecting change.

Any effort at change or improvement of current practice requires, among other ingredients, catalytic money to develop plans, seed new initiatives and create incentives for change. Discretionary dollars,* major public monies for these purposes, are typically the hardest dollars to come by. States currently control upward of $400 million in discretionary education, employment/training and other relevant funding. As aspects of the New Federalism make headway, states will have more funds under their control. Potentially, as we discuss in more detail below,

---

* By "discretionary" we mean dollars not earmarked for specific activities, and not routinely budgeted to maintain existing services. CETA governor's special grant funds, and state discretionary dollars under the Vocational Education Act and the new Education Block Grants are prime examples.

some of these funds could be used for coordinated efforts to build more effective youth employment systems.

3) States operate, with varying degrees of decentralization, some major and potentially important components of the employment and training system, such as apprenticeships, the Job Service, and, in most states, the vocational education system and "workfare" programs.

The record of these efforts in serving at-risk youth is spotty at best, but all have substantial resources with the potential for assisting youth.

4) State governments are well positioned to form and negotiate administrative arrangements to address problems whose solutions exceed the grasp of single agencies or political jurisdictions.

While not entirely free of the political pressures and constraints which thwart effective collaboration among local governments and their constituent agencies, state government is best positioned to effect regional and statewide solutions to problems whose scope eludes any single municipality or agency. In the case of youth employment, state action to stimulate, broker or mandate coordination makes sense when jobs are in one locale and youth in another; when economies of scale dictate regionalizing a particular service; when the jurisdictions of agencies which should be collaborating don't overlap (e.g., a metropolitan Chamber of Commerce, a regional vo-tech school, a local prime sponsor); or when some uniformity of approach is desired across a number of jurisdictions (e.g., in setting standards for training programs in a given trade area).

5) In addition to their resource control, many state governments have better program planning, fiscal management, technical assistance and evaluation capacities than either federal or local government.

Some might debate this statement. Certainly, it is not universally true. But in general, it is clear that the federal government has almost no capacity to plan, assist or evaluate local programs, since that is not the federal mission; and many urban governments, especially outside the very largest cities, lack sophisticated capacity in these areas. The state capacity may be thin in some places, and is often overburdened, but as the Advisory Commission on Intergovernmental Relations has stressed, it is rapidly maturing, and it represents a potentially critical resource for improving program design and management.[9]

6) State governments, especially via the prestige and influence of the governor, have some significant advantages in mobilizing private sector involvement in youth employment efforts.

Without minimizing the importance of local ties between business, labor, schools and employment and training agencies, there is a strong potential state role. Major employers often have interests in a state that transcend one locality. Trade associations, labor unions and some general purpose business organizations have state organizations, sometimes quite strong. State laws, regulations, taxes and economic development incentives create strong interdependencies between business and state government. Finally, when the governor calls and asks for help, it's hard to say no.

How to Mobilize State Potential: The Will and the Way

Throughout this discussion of "why states," the word potential has recurred. In few places has that latent potential been even partially realized. The critical question, thus, shifts from why to how: how can the potential for a strong state role in youth employment be converted into the programs needed to do a better job of helping youth like Charles and Maria achieve their potential?

The answer is in part technical: it involves developing and implementing plans and programs in a coherent strategy. But as important as finding the way to do so is finding the will. Without leadership and commitment, nothing much will happen. If our argument about the potential of the state role is correct, it must be these ingredients which have been lacking for that potential to have remained latent.

Early tests of this hypothesis are showing positive results. The State of Connecticut has, for example, launched an interagency, state/ local effort to serve disadvantaged youth. The first three years of the project are being planned with the assistance of P/PV and a grant from the Edna McConnell Clark Foundation. Prerequisite to operations were the following commitments:

- The governor, chief state school officer and other ranking state officials, including legislative leaders, have actively demonstrated their commitment to a coordinated strategy to reduce youth unemployment.

- The governor has designated a top state official to oversee the effort and established a body for coordinating the planning and implementation of the youth employment-related efforts of various agencies;

- State agencies have committed, on a hard cash basis, to match foundation funds by roughly three-to-one from discretionary state dollars to initiate planning and implementation activities;

- State agencies are committed to reviewing all sources of potential support for youth employment programs which they control or influence, and to allocating portions of those funds on a priority basis to the youth employment initiative;

- State agencies are committed to involving from the outset key local leaders from both public and private sectors who must ultimately play major roles in supporting and delivering services to youth;

- State officials have adopted, with modifications appropriate to different situations, the basic parameters of a comprehensive youth employment system.

- State officials have agreed to a two-pronged strategy: short-term programmatic initiatives and longer term system refinements;

- State officials are committed to plan for a long term effort, running beyond the period of foundation support.

IV. STATE ACTIVITIES

Actual descriptions of what states could do, and precise quantification of goals, depend on the problems and resources of each state. However, we can suggest the nature of such activities and goals via two hypothetical cases. These illustrate the kinds of activities and results expected from Strategy A or Strategy B.

Example 1: State X and its Pilot Areas (Strategy A)

In the planning period, the Governor of state X designates an ad hoc council on youth employment. Its chairperson is the Commissioner of Labor and its members include the Commissioner of Education, the Executive Director of Vocational Education, the Chairman of the State Employment and Training Council (the chief executive of a major bank), the Executive Director of the state AFL-CIO, and the head of a large Urban League chapter. After consultation with a broad range of elected officials, school officials, business, industry, labor and other community leaders, it is agreed that Strategy A -- focus on three pilot sites -- makes sense. State X has a strong tradition of localism, with regional cooperation, and the state's primary stance regarding block grants is to pass them through to local areas with minimal strings attached. This background points to Strategy A, in which the state facilitates and guides activities, but localities have a strong hand in planning and implemention.

The largest city in state X has a population of 1.2 million and a serious youth employment problem. The council, however, makes a tactical decision to avoid working in that city in the initial stages of the demonstration. They want successes up front, and the combination of fiscal, political, and bureaucratic chaos in that city -- including bad blood between city hall and the business leadership -- makes it an unlikely winner. Instead, three smaller-city metropolitan areas with populations of 900,000, 735,000 and 450,000 are selected.

Data gathered in the planning period suggest that a total of some 40,000 at-risk youth live in these three areas. About two-thirds are out of school. Currently, employment and vocational programs serve about 15,000 such youth. Some of these programs are known to be effective, others are known to be weak; but no one really knows much that is definitive about program quality.

In each area, state and local officials and leaders agree on a common set of problems that define the objectives and actions to be taken:

1) There is some strong business/school collaboration in vocational and cooperative (work/study) programs, but few of these serve the at-risk youth who need such programs most.

2) There are limited opportunities for out-of-school youth to gain basic academic skills.

3) Training opportunities for out-of-school youth are also limited. There is little involvement of business, industry or labor in them.

4) There is no forum for regular communication among employment and training, education, business and labor leaders on youth employment issues.

5) There is no arrangement for joint setting of objectives, planning or allocation of resources among the key youth serving education and employment entities.

6) Data defining the nature and extent of the local youth employment system, the needs of employers, the programs addressing it, and the results of programs are not uniformly collected, aggregated or used. For instance, no one had attempted to define the total number of at-risk youth or assess the quantity and quality of programs against that universe of need.

The first three of these hypothetical problems suggest discrete program needs. The last three are examples of system needs. In the operational phase of the program, this analysis of needs leads to the following steps:

In Year One of the operational phase $1.5 million in new program monies (67% from state discretionary sources and 33% local match, including a small portion of private donations) are devoted to:

- Expanding existing school/industry cooperative programs in high-demand retail, office and data processing occupations to serve disadvantaged youth. A work-related basic education curriculum is developed to support youth in these jobs and each youth is assigned an adult mentor on the job.

  Number served: 200 "at risk" seniors.

  Result projected: 60% retain jobs in companies on graduation and another 25% obtain other jobs or enter post-secondary training.

- Developing pilot centers for computer-assisted remedial education in each city. Software developed for the Job Corps is used with equipment donated by industry. Community-based organizations are used as referral sources. The centers in turn refer youth to a range of businesses or on-job and classroom training programs which agree to accept youth who have shown a given level of improvement in basic skills.

  Number served: 600 "at-risk" out-of-school youth.

  Result projected: Average reading gain of two grade levels; 80% either enter employment directly or enter training programs with a solid job placement record.

- Implementation as a first step toward increasing training opportunities for out-of-school youth, by the Private Industry Council, of an aggressive OJT program, with the following features:

  - A two-week vocational exploration period and pre-employment program, modeled after a similar program developed by the Hartford PIC. This exposes youth to employers and vice-versa before OJT commitments are made.

  - A marketing campaign and adoption of simplified OJT contracting procedures adapted from the highly successful Suffolk County (NY) program.

  Number served: 650 youth hired on OJT contracts, an increase of 200 from the previous year.

  Result projected: 80% still employed three months after OJT contract ends.

Complementing these initial programmatic steps, each community takes some basic steps to build better systems:

Under the auspices of the PIC (or some other entity), a task force consisting of the superintendent of schools, the president of the community college, the PIC chairman, the AFL-CIO Council president, the city human resource administrator, and the director of the regional planning agency is constituted. This body meets monthly and is staffed by a professional. Its agenda for the first year include:

- Further refining the assessment of programmatic needs.

- Identifying program models capable of meeting those needs; the resources and possible funding sources available for such programs and the agencies or organizations best equipped to run them. This process involves not only assessing youth needs, but also identifying the specific skills needed by specific businesses and the type and performance standards or training programs which those businesses will use.

- Assessing the progress of the programs funded in Year One to determine their effectiveness and potential for continued support and expansion.

- Improving the data base on which needs assessment, joint planning and program evaluation depends.

The outcome at the end of Year One of operations and system building, is a three-year plan which includes:

- Specific programs to be supported in the next year.

- Other programs to be added or altered next year through reallocation of existing resources;

- Priorities and plans for further system-building activities.

- A three-year plan for the entire area, aimed at achieving or making very substantial progress towards an ideal, comprehensive youth employment system for the area.

- Installation of a state/local youth employment data system which collects information from a full range of agencies and organizations to provide a detailed picture of overall needs, progress towards the goal of eliminating structural youth unemployment, and program effectiveness.

In Year Two of operations, this process essentially recycles. The program agenda is broader and more diverse, the system-building agenda more sophisticated; and in addition to the youth served in programs supported by discretionary dollars, additional youth are served through programs supported by reallocation of local public and private funds.

Example 2: State Y and Its Segments (Strategy B)

In state Y, a Governor's Committee on Youth Employment has been established and includes all relevant public and private actors. That committee had already convinced the Governor and Commissioner of Education that a major overhaul of vocational education is needed. As a result, the legislature recently increased the per capita pupil reimbursement to vocational schools by close to $300 a head. These funds are a strong incentive for school districts to enroll more pupils in vocational programs and, since schools may serve youth without a diploma up to the age of 21, an opportunity to recruit drop-outs into vocational programs.

These dollars create a climate of opportunity. But the big question is how to spend them. In state Y, as the Governor's committee knows, vocational programs have served relatively few disadvantaged youth in the past. Worse yet, the kinds of vocational programs often offered -- youth trained in obsolete skills provided by obsolete instructors on obsolete equipment -- are not going to help at-risk youth. The committee proposes to place major emphasis on overhauling voc ed and making it more effective for at-risk youth, while simultaneously beginning to make plans for other system improvement -- especially in basic education and skill training for post-secondary at-risk youth.

Using a mix of private and state discretionary funds, state Y chooses to approach the needs of at-risk youth first by reshaping vocational education programs for them. Any school district is eligible to participate (as opposed to the pilot city approach adopted by state X). But to participate, the district must not only match state funds on a 1:2 basis but also adopt the committee's program and system goals.

In particular, local school districts must emphasize involvement of business and labor not only in identifying occupations for training, but also in setting proficiency standards students are to meet; and in providing instructors, equipment, teacher training services and, where feasible, facilities for classroom, on-job or cooperative education programs. The districts must agree to modify vocational offerings for at-risk youth by building in work-related remedial instruction programs, pre-employment services and job placement assistance needed to support these youth. Generally, their programs should adopt and adapt the essential elements of such successful models as Philadelphia's business-led High School Academies program and the National Institute of Education's more successful experience-based career education projects. Finally, they must develop concrete plans to use the resources of other agencies in the community which have distinct strengths in serving at-risk youth, including CBOs that recruit young drop-outs back to alternative vocational programs, community colleges with well-designed remedial and training programs, etc.

Applying these principles produces the following results:

In Year One of the operational phase, approximately $1 million of private and state/local discretionary funds is devoted to new programs. Of 26 school districts in the state, 12 qualify for receipt of these funds.

- On average, each of these systems mounts one new alternative vocational education program, meeting the specifications listed above and serving at-risk youth.

  Number served: 360, including 150 drop-outs

  Results projected: 80% of youth complete program and 90% of these gain employment. 105 former dropouts receive high school degrees or GEDs.

- The State Chamber of Commerce sponsors a summer institute which exposes a total of 78 vocational education teachers to new industrial practices in their trade areas.

- Each participating community completes plans and secures commitments to double the numbers served in such programs in the next year.

- The Governor's Committee works with additional school districts and prepares 10 others to participate in the effort in the next year.

- The Governor's Committee secures broad private support for new legislation to subsidize skill training in high-tech jobs with business sharing in the costs.

In Year Two, the results are:

- Twenty-two school districts are now offering alternative vocational education programs for at-risk youth, with better than 60% of the support coming from local public and private resources and the balance from continued use of discretionary funds.

Number served: 960, including 375 former dropouts.

Results projected: 80% complete program, of whom 90% are employed in jobs with average pay of over $5 per hour. Some 280 former dropouts get diplomas.

- The Chamber's teacher-training institute expands to serve 150 teachers.

- The state legislature approves a $3 million dollar program for training in high tech occupations. A private sector match of $2 million is secured. Training programs to serve 1,000 participants a year are planned and approved. Of these, close to 50% will be disadvantaged youth who will first receive intensive basic educational services.

- The Governor's Committee, beginning to address issues other than vocational education, receives endorsement by the State Board of Education of a plan to identify all secondary school students performing below basic competencies in math and reading and substitute two periods of extra math and two periods of writing and reading instruction for electives in their high school programs.

- Plans and commitments to implement the basic skill program, expand alternative vocational education and add skill training in other than high tech areas are made for the next two years.

V. THE OPPORTUNITY: IMPLEMENTING THE JOB TRAINING PARTNERSHIP ACT

The arguments for the potential importance of the state role presented in this paper would stand whether there were federal employment and training legislation or not. But the new Job Training Partnership Act (JTPA), passed by Congress in October 1982 to replace CETA in Fiscal 1984 offers a stimulus and an opportunity for states to adopt policies, assert leadership and work in partnership with localities to better apply current knowledge to ameliorate the employment difficulties of at-risk youth. This opportunity is particularly rich if JTPA implementation does not work in isolation but, rather, occurs in conjunction with planning for other elements of the "de facto" youth employment system: schools, community colleges, apprenticeship programs and, juvenile justice, job service, plus "workfare" (which may involve some youth) and other youth-serving systems.

A brief consideration of the major elements of this $3.7 billion Act make the nature of the opportunity clear.

JTPA is a bill erected on some widely shared agreements and on some compromises. The agreements are on the importance of investing in training and human capital development, the importance of giving the private sector a central role in steering these investments, and the importance of judging these investments on the basis of performance standards that give fairly hard measures of "return on investment."

The compromises are essentially between the Reagan Administration (and to some extent, the Senate's) interest in providing a strong role in job training for governors and the states -- which had very limited roles under CETA -- and the House's distinct preference for maintaining a strong role for mayors and local governments.

The salient features of the bill, vis a vis the state role in youth employment, are:

- The governor specifies local service delivery areas, with the limitation that any city or consortium of local jurisdictions with a population in excess of 200,000 automatically qualifies as a service delivery area.

- 78 percent of total funds are allocated to service delivery areas on the basis of a formula that takes into account poverty and unemployment.

- Of these local funds, 40 percent (approximately $1.1 billion nationally) are to be spent serving disadvantaged youth -- basically, 16 to 21 year-olds, although 14 and 15 year-olds are eligible for some limited service.

- At the local level, Private Industry Councils, whose members are appointed by the mayor(s) or other chief elected official(s) of the area, must approve all plans and service providers, evaluate programs and may, if they choose, operate programs directly or by subcontract. A majority of PIC members are to be ranking business executives.

- Performance standards are to be developed by the Secretary (and may be adapted or supplemented by the governor) which, at minimum, measure increases in earnings due to employment after participants leave programs and reductions in welfare grants as a result of increased earnings.

- A major emphasis is placed on state level coordination of JTPA with other services -- most notably education, economic development, welfare and the apprenticeship system. In particular, 8 percent of total JTPA funds are to be spent to foster coordination between education and job training. However, a dollar-for-dollar match of funds from other sources is required to spend these 8 percent funds.

- In addition, 6 percent of funds are reserved for the governor to use as incentive funds to reward local service delivery areas with outstanding performance records.

It is self-evident that the provisions of JTPA in a general way conform to the requirements we have discussed for actualizing the state role in youth employment. These include state/local cooperation; involvement of the private sector, especially at the local level; and a strong emphasis on coordinated planning. Further, the funds to promote coordination, the matching dollar requirement, and the 6 percent funds for rewarding good performance can be viewed as resources which, in conjunction with discretionary Vocational Education Act dollars and other funds controlled by the state, can be used to create the incentives and the seed money needed to put together the plans, policies, management systems and, last but not least, the effective programs required to make real headway in helping at-risk youth enter the labor market successfully.

Whether or not this opportunity will be seized is not primarily a technical question. Rather, it will depend upon how states go about implementing JTPA. If the program becomes the province of one agency, and if planning proceeds without the collaboration of state agencies that control or influence parts of the youth employment system, JTPA will become just another isolated government program, the coordination provisions to the contrary notwithstanding.

On the other hand, if governors establish a strong lead and insist on comprehensive and coordinated state planning for youth employment, involving education, labor and other appropriate state agencies as real partners, there may be new hope for unemployed youth and a realization of the potential of the state role.

NOTES

1. Lerman, Robert, "An Analysis of Youth Employment Problems" in A Review of Youth Employment Problems, Programs and Policies: Vol. I, the Vice President's Task Force on Youth Employment, 1980. Lerman estimates 3.3 million youth, 16-24 years old, with serious employment problems; about 9 percent of the total youth population. A 1980 study by the Congressional Budget Office, Youth Employment and Education: Possible Federal Approaches, estimated 2.6 million youth, 16-24 years old, unemployed for 15 weeks or longer and another 1.5 million looking for work but not officially counted as unemployed, for a total of 4.1 million or 11 percent with significant employment problems.

2. Willard Wirtz gave this estimate in remarks to the Committee on Public Private Cooperation in New York, March 31, 1982. It represents primarily the cost of welfare payments, food stamps, Medicaid and similar income supports. If forgone productivity and crime-related costs associated with unemployment are added, the figure is considerably higher.

3. Numerous literature reviews have developed a similar profile. See, for instance, Congressional Budget Office, Improving Youth Employment Prospects: Issues and Options (Government Printing Office; February, 1982.

4. Public/Private Ventures: Private Sector Initiatives Program: Documentation and Assessment of CETA Title VII Implementation, April, 1982.

5. Data from CETA information system, U. S. Department of Labor, Employment and Training Administration.

6. See, for instance, John T. Grasso and John R. Shea, Vocational Education and Training: Impact on Youth (Carnegie Council on Policy Studies in Higher Education: 1979) and the literature review in National Commission for Employment Policy: The Federal Role in Vocational Education (NCEP Report No. 12, September, 1981) on the limited economic benefits of vocational education, See Lester Thurow, "Vocational Education as a Strategy for Eliminating Poverty," The Planning Papers for the Vocational Education Study (National Institute of Education, April, 1979) on the limited industrial demand for secondary vocational education graduates.

7. This estimate was derived from a series of statistics which, though they are not comparable, give a rough idea of the magnitude of resources:

   - 1980-81 revenues for public education (elementary, secondary and two year college): $105.8 billion, of which $96.3 billion are state/local funds (per National Center for Educational Statistics).
   - 1980-81 expenditures for vocational education: $7.5 billion, of which $6.7 billion are state/-local funds (per NCES).
   - FY 1983 federal funding for employment and training: $3.7 billion (40%, or $1.5 billion, for youth).
   - Annual expenditures for training by private employers: $30 billion (per U.S. Chamber of Commerce).
   - FY 1983 federal funding for Social Services Block Grant: $1.9 billion.
   - FY 1983 estimated total expenditures for public assistance and WIN: $11 billion, of which roughly half are state/local funds.
   - In addition, there are the resources of private and corporate foundations, the Targeted Jobs Tax Credit, Community Development Block Grants and various local sources.

8. See, for example, Paul Osterman, Getting Started: The Youth Labor Market (MIT Press: 1980). In addition, there are the resources of private and corporate foundations, the Targeted Jobs Tax Credit, Community Development Block Grants and various local sources.

9. Advisory Commission on Intergovernmental Relations, State and Local Roles in the Federal System, April, 1982.